



Honorable Bill Donegan, CFA
Orange County Property Appraiser

Portability Presentation

Please use the arrow keys to advance from page to page

What is Portability?

■ Portability

It's the ability to transfer the dollar benefit of the homestead property assessment limitation known as the "Save Our Homes benefit" from a prior homestead to a subsequent homestead. The portable amount is the difference between market value and assessed value.

Example:

$$\begin{array}{r} 2007 \text{ Certified Market Value from prior homestead} \quad \$250,000 \\ (\text{minus}) 2007 \text{ Certified Assessed Value from prior homestead} \quad - \$150,000 \\ \hline \text{Equals Portable Amount} \quad \quad \quad \quad \quad \quad \quad \quad = \$100,000 \end{array}$$

So, what exactly is someone “porting” to a new house?

▪ EXAMPLE OF A HOME PURCHASED IN 2004

▪ 2004 Market Value	\$ 170,000
▪ 2004 Assessed Value	\$ 170,000
▪ Homestead Exemption	- <u>\$ 25,000</u>
▪ Taxable Value	= \$ 145,000

The 2007 Market Value is: \$ 290,000
(minus) 2007 Assessed Value - \$ 179,500 (increased at SOH cap)
equals ***Save Our Homes Benefit* \$ 110,500**

\$ 110,500 is the Portable Amount.
You don't pay taxes on this amount.

Now, let's take our \$110,500 portability to a *Higher* value home.

CURRENT HOME



NEW HOME



- 2007 Market Value \$290,000
- Assessed Value - \$179,500

= Portable Amount \$110,500

- Market Value \$382,500
- (minus) Portability **\$110,500**
- = Assessed Value **\$272,000**
- (minus) Homestead - \$ 50,000
- = New Taxable Value **\$222,000**

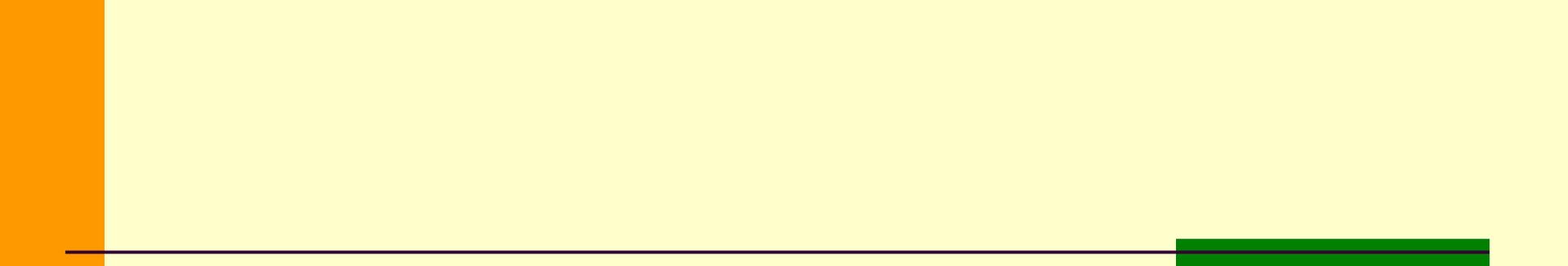
Assessment Formula

as per Senate Bill 4-D 2nd engrossed
(adopted with Amendment 1)

- **Portability to a higher value home**

(page 12, line 29 of SB 4-D)

If the just value of the new homestead as of January 1 is greater than or equal to the just value of the immediate prior homestead as of January 1 of the year in which the immediate homestead was abandoned, **the assessed value of the new homestead shall be** the just value of the new homestead minus an amount equal to the lesser of \$500,000 or the difference between the just value and the assessed value of the immediate prior homestead as of January 1 of the year in which the prior homestead was abandoned.



Moving UP was easy.

**Moving to a Lesser
valued home is a little
more complex.**

Now, let's take our portability to a Lesser value home.

CURRENT HOME



NEW HOME



- Market Value \$290,000
 - Assessed Value - \$179,500
- Portable Benefit of \$110,500 is
38.1 % of Market Value**

- Market Value \$157,750
- (minus) Portability **\$ 60,109**
- (38.1% of \$157,750)
- = Assessed Value **\$ 97,641**
- (minus) Homestead - \$ 50,000
- = New Taxable Value **\$ 47,641**

Why did I only get \$60,109 ?

Why didn't I get the full \$110,500 ?

NEW HOME



Because the formula for moving to a home of lesser value provides you with a percentage savings.

- Market Value \$157,750
- (minus) Portability \$ 60,109
- (38.1% of \$157,750)
- = Assessed Value \$ 97,641
- (minus) Homestead - \$ 50,000
- = New Taxable Value \$ 47,641

38.1% is the same percentage savings that “Save Our Homes” was providing to the former homestead.

Formula

Portability to a lesser value home

THE NEW ASSESSED VALUE SHALL BE:

Just (market) value of new homestead	\$ 157,750
<i>divided by the</i>	
Just (market) value of prior homestead	\$290,000
<i>multiplied by the</i>	
Assessed Value of prior homestead	\$179,500

$$\begin{aligned} & \$157,750 / \$290,000 \text{ (x) } \$179,500 \\ & = \$97,641 \text{ Assessed Value of New Homestead} \end{aligned}$$

Assessment Formula

as per Senate Bill 4-D 2nd engrossed
(adopted with Amendment 1)

- **Portability to a lesser value home**

(page 13, line 8 of SB 4-D)

If the just value of the new homestead as of January 1 is less than the just value of the immediate prior homestead as of January 1 of the year in which the immediate homestead was abandoned, **the assessed value of the new homestead shall be** equal to the **just value of the new homestead divided by the just value of the immediate prior homestead and multiplied by the assessed value of the immediate prior homestead.** However, if the difference between the just value of the new homestead and the assessed value of the new homestead calculated pursuant to this paragraph is greater than \$500,000, the assessed value of the new homestead shall be increased so that the difference between the just value and assessed value equals \$500,000.



**For even more information,
be sure to see our list of
[Frequently Asked Questions](#)
in the portability section
of our web site.**

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Thank You

Gracias